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MEMORANDUM

To: CMAQ Project Selection Committee

Date: February 11, 2010

From: Holly Ostdick, Associate Planner

Re: Federal Fiscal Year 2011 CMAQ Projects/State Appropriation

A goal of the CMAQ A list is to identify dormant projects and increase project accomplishment. Some projects on the CMAQ A list have the opportunity to move forward faster than the year in which they were programmed. In other cases, projects that are partially obligated, and hence in the TIP, are able to advance phases currently in FY 2011 to FY 2010. For example, Lake County project 10-06-0005, Highland Park Interconnect, is funded in year FFY 2011 for construction. This project has been moving forward and is able to be let in June. Advancing this project would help spend down our unobligated balance and realize its benefits quicker.

IDOT has raised concerns about moving projects from FFY 2011 into the current year due to state appropriation limitations. State appropriation is the amount that the state budgets for use on transportation projects. The state appropriation must cover the total project cost for all projects on the state letting; locally let projects only require an appropriation equal to the federal amount. We have exceeded the \$21.9 million state appropriation for SFY 2010 by at minimum \$30 million and are on track to spend still more in SFY 2010. In response, IDOT has indicated that an additional \$50 million in appropriation can be made available. However, IDOT has stated the state appropriation for SFY 2011 will be similar to the \$21.9 million appropriation for SFY 2010.

A reason the state appropriation is extremely low compared to our federal apportionment is because in the past CMAQ project sponsors have not been successful in using all state appropriation. Additionally, in 2006 CMAP requested an increased state appropriation because sponsors had indicated a much larger amount that was programmed that year would be accomplished. Unfortunately many of the projects were not accomplished and we did not use much of the state appropriation requested. This has led IDOT to reduce the CMAQ appropriation in subsequent years.

As stated in various policies and actions of the CMAQ Project Selection Committee the current focus is to spend down the unobligated balance, avoid future rescissions, and realize benefits of the CMAQ projects. Allowing projects from FFY 2011 to be accomplished when they are ready

can help achieve these ends. It can also be a motivation for earlier programmed projects to be accomplished more quickly.

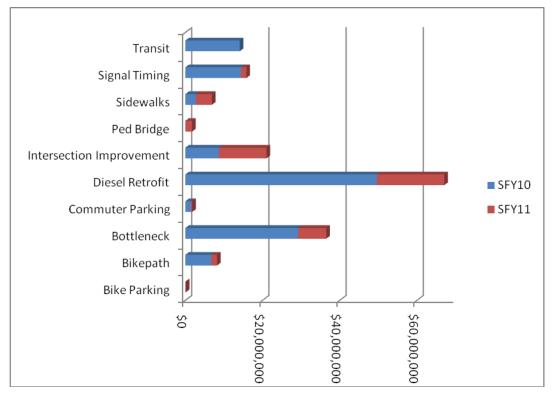
However, advancing projects currently scheduled to start in FY 2011 could cause projects from FY 2010 or earlier years to be delayed if there is insufficient state appropriation available. It is possible that enough projects could be advanced and/or obligated that the limit imposed by the \$83 million rescission would be reached, but this is unlikely.

If projects from FFY 2011 move forward it could clearly hold up projects in FFY 2010. If a FFY 2010 project cannot be accomplished due to an FFY 2011 project moving forward the "one time move" sanction would not apply because it is not within control of the sponsor. There are options for allowing SFY 2010 projects to not be held up if state appropriation or fiscal constraint is exceeded. These include using re-appropriation, borrowing against future federal allotments, or receiving new appropriation. These are all options that would need to be discussed once/if that bridge is crossed.

After meeting with IDOT local roads, the PLs and speaking with the City of Chicago, CMAP has identified projects that the sponsors believe are likely to be accomplished during SFY 10 and 11:

Row Labels	Sum of Total Cost
SFY10	\$126,996,882*
SFY11	\$46,310,055
Grand Total	\$173,306,937

^{*} may include projects already obligated.



Below is a chart summarizing projects that may be able to move from FFY 2011 into FFY 2010.

Diesel Emissions Reduction	\$34,054,250
Transit Facility Improvement**	\$31,360,000
Transit Service and Equipment**	\$5,439,148
Total	\$70,853,398

^{**} does not require state appropriation

Clearly, advancing \$71 million in FY 2011 projects and also obligating \$127 million in FY 2010 and earlier CMAQ projects will exceed fiscal constraint in the TIP and is beyond the capacity for IDOT to process projects. Obligating and/or advancing an additional \$20 million in projects beyond what has been obligated so far would use all the available state appropriation. Thus, while advancing some projects is possible, there is a limit to our ability to do so.

Staff recommends allowing projects that become ready to obligate while closely monitoring fiscal constraint limits and state appropriation. This will allow for unobligated balance to be spent down, realize benefits of the CMAQ program, and motivate sponsors to accomplish projects as quickly as possible.